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C O N F I D E N T I A L SECTION 01 OF 03 ASHGABAT 001106

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SUBJECT: EU SOLANA'S TURKMENISTAN VISIT: INTENSIFYING  
DIALOG ON REGIONAL AFFAIRS AND ENERGY

Classified By: CHARGE RICHARD E. HOAGLAND FOR REASONS 1.4 (B) AND (D)

¶1. (C) SUMMARY: French Ambassador Christian Lechervy briefed the non-EU diplomatic corps October 12 (the EU ambassadors' briefing was October 11) on the October 9 Ashgabat visit by European Union High Representative for Common Foreign and Security Policy Javier Solana. The United States, Ukraine, Turkey, and OSCE attended, but the CIS embassies were absent. Lechervy's detailed briefing included the following key points. Turkmenistan is determined to keep its political -- and, to the extent possible, economic -- distance from Russia. Turkmenistan is truly looking for new openings to the world, especially in energy, but barely understands what will be required in the end. Turkmenistan's energy policies are in flux. President Berdimuhamedov is increasingly concerned about the potential for Afghan narcotics to destabilize Turkmenistan. Turkmenistan firmly asserts its current policies, but is open to an enhanced expert-level dialog on a range of issues. END SUMMARY.

¶2. (C) French Ambassador Christian Lechervy reported Javier Solana met with President Gurbanguly Berdimuhamedov for nearly two hours on October 9, separately with Deputy Prime Minister for Oil and Gas Tachberdi Tagiyev for 45 minutes, and had a long working lunch with Deputy Prime Minister/Foreign Minister Rashit Meredov. Lechervy characterized the Tagiyev meeting as "uncommunicative and disappointing." On the Turkmenistan side, only Meredov attended the Berdimuhamedov-Solana meeting.

¶3. (C) The primary focus of the talks was energy issues and regional affairs, especially Iran. Secondary focus was human rights and the recently concluded Commonwealth of Independent States Summit in Dushanbe. Solana also met briefly with stringers for international wire services and, separately,

gave a full interview to the local BBC stringer.

¶4. (C) Lechervy characterized the meetings in Ashgabat as an on-going and intensifying "pedagogical conversation" between the EU and Turkmenistan. Solana had met with Berdimuhamedov briefly in New York during the president's UNGA visit, and they will meet again for more in-depth talks on November 7 during Berdimuhamedov's official visit to Brussels, where he will also meet with NATO Secretary General de Hoop Shaffer.

#### VISIT A SUCCESS, INCLUDING ON EU INVESTMENT/HUMAN RIGHTS

¶5. (C) Ambassador Lechervy characterized the Solana visit as a success, a word he said he does not use lightly, for two main reasons. First, Berdimuhamedov suggested he and Solana have a telephone conversation a week before the president leaves for Brussels to refine their agenda so both sides can be fully prepared for a productive meeting.

¶6. (C) Second, during a brief Solana-initiated one-on-one exchange at the end of the official meeting, Solana asked for a resolution of a difficult EU-Turkmenistan issue -- that Turkmenistan's Ministry of Defense has expropriated a German-investor private-sector chicken farm and imprisoned three of the Turkmenistani investor-employees of the project.

Lechervy said Berdimuhamedov remained impassive during Solana's intervention. However, within three hours, the three Turkmenistanis had been released from a provincial prison, declared innocent, flown to Ashgabat, and assured they could seek full restitution for the expropriated equipment the investors had lost. (NOTE: According to USAID Country Director, the Ministry of Defense still claims

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eminent domain over the farm and its infrastructure. END  
NOTE.)

#### ENERGY ISSUES

¶7. (C) Lechervy briefed that Berdimuhamedov, nearly pounding the table, said, "We want European entrepreneurs in Turkmenistan, but your people seem to be sleeping!" Lechervy said Berdimuhamedov passed two key messages:

-- Don't misunderstand our current relationship with Russia. It is commercial, not political. Don't overly focus on the May 12 Putin-Nazarbayev-Berdimuhamedov Summit in Turkmenbashi (that reportedly agreed to refurbish and build new natural gas pipelines to Russia). That was expedient politics.

-- Russia's Gazprom is not/not a monopolist in Turkmenistan. We already have international companies in the Caspian and on-shore. Our door and our minds are open. We want a Trans-Afghanistan Pipeline, but you have to create stability in Afghanistan for it. We are ready to expand our gas sales to Iran. We have never been against a Trans-Caspian Pipeline. We sell our resources at our border -- but we are ready to welcome others who can help us produce more for our own benefit.

¶8. (C) Lechervy said Solana noted European energy companies are interested only in long-term investment from which they can profit fairly for themselves and their shareholders. Thus, they need firm guarantees on availability of resources (i.e., independently verified statistics) as well as reformed economic policies and a stable, international-standard investment climate.

¶9. (C) Berdimuhamedov reportedly riposted, "What guarantees do you need? We have the reserves. I myself am your guarantee. Turkmenistan has been peaceful and stable for 16 years. What more could you want?"

¶10. (C) The president reportedly offered an anecdote. "We can afford to wait for better prices. I recently told (Russian President Vladimir) Putin it is unacceptable for

Russia to sell Turkmenistan's gas to Europe at \$350 (sic) per thousand cubic meters when you pay us only \$100. By contrast, we are pleased with the 'Chinese Mechanism' where we set a price but renegotiate it every year according to prevailing market prices. We hope Russia and the West will learn from that!"

¶11. (C) Berdimuhamedov reportedly added that Turkmenistan does not need five-littoral-state agreement to build a Trans-Caspian Pipeline. The only necessity is an Azerbaijan-Turkmenistan delimitation agreement. Then, according to Lechervy, Berdimuhamedov became vague and said simply the Turkmenistan-Azerbaijan dialog continues at the Deputy Foreign Minister level.

¶12. (C) Lechervy said the Nabucco Pipeline and its Central Asian gas needs was not raised in any Solana conversation with the Turkmenistani authorities. He added that the EU will go into much greater detail on this issue when Berdimuhamedov visits Brussels at the end of the first week of November.

¶13. (C) Lechervy said during the working lunch with Meredov Solana had tried to be "pedagogical" to explain what the West means by "guarantees of resources and investment climate."

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Meredov "listened closely but made no comment," often directing his note-taker to mark a detail.

REGIONAL ISSUES: IRAN

¶14. (C) According to Lechervy, Berdimuhamedov told Solana, "We are neutral and have no desire to interfere in the internal politics of neighbors who represent great historical civilizations. We focus on developing our trade and economic relations. Our national interests are commercial, nothing more. Iran is our economic friend, not our political friend. For special economic friends we offer special economic considerations, and we intend to increase our natural gas exports to Iran (NFI)."

¶15. (C) Lechervy said Solana offered a long "pedagogical" briefing to Meredov during their working lunch, providing "unusually detailed evidence" in the case against Iran and the status of international negotiations about Iran's nuclear program. Meredov remained in an "attentive listening mode."

COUNTER-NARCOTICS

¶16. (C) When Solana and Berdimuhamedov discussed Afghanistan, Lechervy said the overwhelming Turkmenistani response was its fear of drug trafficking from Afghanistan that has the potential to destabilize Turkmenistan. Berdimuhamedov reportedly told Solana Turkmenistan has identified 24 heroin laboratories across Turkmenistan's border in Afghanistan, and daily interdicts 2-5 kilos of heroin in Turkmenistan. Berdimuhamedov reportedly waxed eloquent on the value of the EU's BOMCA/CADAP border-security program and also went into great detail about the value of the U.S. EXBS program, both designed to protect Turkmenistan.

CIS SUMMIT IN DUSHANBE: HO-HUM

¶17. (C) Lechervy said Berdimuhamedov responded briefly to Solana's request for a read-out of the October 5 CIS Summit in Dushanbe. The president reportedly said Turkmenistan was not especially interested in the CIS Summit agenda, because it was mostly irrelevant for Turkmenistan. More important, according to Berdimuhamedov, were the Turkmenistan-Tajikistan bilateral meetings, in which Turkmenistan and Tajikistan signed an agreement for electricity provision to Tajikistan -- if Uzbekistan does not block it -- "because that will be an economic advantage for both countries."

¶18. (C) COMMENT: Lechervy's detailed briefing tracks

closely with what we hear from the government of Turkmenistan. Turkmenistan is determined to keep its political -- and, to the extent possible, economic -- distance from Russia. Turkmenistan is truly looking for new openings to the world, especially in energy, but barely understands what will be required in the end. Turkmenistan's energy policies are in flux. Berdimuhamedov is increasingly concerned about the potential for Afghan narcotics to destabilize Turkmenistan. Turkmenistan firmly asserts its current policies, but is open to enhanced expert-level dialogue on a range of issues. Finally, and based on other recent evidence, we continue to believe FM Meredov is a crucial adviser to President Berdimuhamedov. END COMMENT.  
HOAGLAND